

# International Communication Policy

October 6, 1980



United States Department of State  
Bureau of Public Affairs  
Washington, D.C.

U. S. DEPOSITORY DOCUMENT

JAN 14 1981

CONNECTICUT COLLEGE LIBRARY  
NEW LONDON, CT 06320

*Following is an address by Matthew Nimetz, Under Secretary for Security Assistance, Science and Technology, before the High-Level Conference on Information, Computer and Communications Policies for the 1980s of the Organization for Economic Cooperation and Development (OECD) in Paris, France, on October 6, 1980.*

It is a privilege for me to speak to this distinguished group on a subject so important to our lives today and so full of promise and complexity for the future. If we think, it is easy to see why the OECD is such a valuable forum in which to discuss this subject. Here I do not have to argue the worth of the individual and of his rights; here I do not have to defend the virtue of free exchange of information; and here we all work on the basis that our purposes, in the final analysis, are related to the peaceful pursuit by each nation of its own well-being and prosperity.

Here too, of course, is represented the preponderant share of public and private activity involved in expanding the frontiers of our present "age of information." It is a simple fact that the nations represented at this conference have largely created and, having created, have sought to expand the opportunities we will be discussing. I believe it is also true that we here have the unique capacity, in part due to the values we share, of developing effective means by which the benefits of those opportunities will be most widely distributed among other nations during the decade of the 1980s.

In the coming decade, close attention will have to be paid to the worldwide issues emerging from the interrelationships of computers, communications, and information. These issues, and the ways we deal with them, will involve technical bureaus and ministries, diplomats, economic experts, and those concerned with social welfare, employment, and labor. And let us never forget that they will also involve poets, philosophers, teachers, religious leaders, farmers, and people of all ages. Few, in fact, will remain untouched by the impact of what we are discussing; it will be pervasive in society and throughout our globe. That in turn helps to define our issues and to clarify several underlying forces.

- The merging of information, computers, and telecommunications technologies is itself opening vast new opportunities, reflected in the new term which our French colleagues have added to our common language: informatics. Informatics will expand information flows; increase the universe of access to the capacity of the computer to enhance centralized, but also decentralized, managerial, and planning capabilities; increase the productivity of labor; and extend immeasurably intellectual and scientific inquiry. We are awed by the compression of space and the increased value of time which flows from the trend—the sheer capacity to move massive amounts of information across oceans and continents in a matter of minutes or seconds.

- Multiplication of the Earth's information resources is another powerful new impulse. New technologies and

available on subjects from the most minute subatomic particle to the largest natural global systems—or from historical analysis of ancient literary texts to economic and social studies critical for development—expands, and this growth raises its own problems of information selectivity and management.

- Finally, there is the continuously increasing awareness of the essential interdependence of peoples and nations in the face of mounting global problems—the growing, if still reluctant, recognition of the limited ability of a single nation to set unilaterally the full range of courses of action needed to insure the welfare of their peoples.

If we view these underlying forces in their relationship to each other, we can see the promise of new tools and new knowledge. At the same time we sense concern, anxiety, and caution, because, as so often in history, new problems accompany the bright promises. For its part, the United States views this entire sphere of activity as offering great opportunities for all; we do not discount the problems likely to arise in bringing these opportunities to fruition, but we believe that the benefits will be so great as to make the effort well worth the doing.

The OECD is a uniquely useful forum for considering the implications of ongoing changes of such significance. Here, we can explore issues that cut across various sectors of our national life and our international relationships. We can give these issues the visibility and the hard thought they surely warrant. We can focus political attention on them so that we may better be able to chart appropriate courses of action.

But as we proceed with our examination of these matters within the framework of the OECD, we must recognize that we are only at the beginning of what will inevitably be a lengthy process of learning and adjusting. And we must always bear in mind that while the members of the OECD can make a start, the effects of change resulting from informatics will be global. In this respect, we are in the vanguard of an exploration and an effort which eventually include the developing world as well as the industrialized world.

As an important initial step we need to share our present perceptions of ongoing changes and their implications. We value this conference for precisely that reason. The countries present are strong in technology and rich in information; we cannot afford to be poor in understanding the implications of what we are doing in these critical fields.

We cannot discount the value of differing opinions and varying sensitivities, nor the value of making an effort to compose our differences and to coordinate our efforts. We must, in a parallel effort, include the developing world in our consideration of the benefits to be gained from progress in communications and information. It goes without saying that our task will be that much more difficult if we find we are unable to reach our own consensus.

We need, therefore, to share experience and to understand the policy orientations of governments and societies at this early formative stage. The new telecommunications and information technologies are inherently international in nature, and the economic and cultural opportunities and problems they spawn must be addressed at the international level. Technical interdependence requires a common effort to achieve coordination. Our national economies and cultural lives are increasingly open to external influences; our domestic decisions have immediate repercussions, for good or for ill, on our trading partners and cultural and political allies. It, therefore, becomes increasingly important to find common solutions.

In approaching the issues to be discussed at this conference, the United States is guided by five fundamental principles.

### Free Flow of Information

The free flow of information is a broad concept which has been variously interpreted and applied at different times and by different countries. To Americans, it constitutes a human and civil right—a right to impart, receive and exchange ideas, information, and data in whatever form they are presented. It encompasses political, economic, social, cultural, personal, and other kinds of information. Free flow is a fundamentally important principle to all segments of American public opinion, and, we believe, is a principle widely shared by all OECD member countries.

In the United States, our historic approach to information has stressed the twin themes of freedom from government interference domestically, and the free flow of information and ideas internationally. It is worth recalling that our attachment to these ideas was specifically emphasized by President John F. Kennedy at the dawn of the era of communication by satellite. As he signed the act of Congress establishing the original communications satellite system in 1962, President Kennedy said,

The benefits which a satellite system should make possible . . . will stem largely from a

vastly increased capacity to exchange information cheaply and reliably with all parts of the world. . . . The ultimate result will be to encourage and facilitate world trade, education, entertainment, and many kinds of professional, political, and personal discourse which are essential to healthy human relationships and international understanding. Better and less expensive communications . . . are vital elements in the march of civilization.

These basic philosophical commitments are shared by all of the industrialized democracies. As you know, of course, there was a time when one did not necessarily have to qualify a statement of that kind in quite the way I have just done, that is, by limiting it to "industrialized democracies." There was a time, in 1946, when the entire United Nations General Assembly passed a resolution declaring, and I quote, "Freedom of information is a fundamental human right, and the touchstone of all the freedoms to which the United Nations is consecrated." That is only an apparent diversion from my main point now; it is in fact a reminder for us all that there are nations in the world for which a simple statement of principle of this sort is an act of provocation when uttered by an outsider, and an act of treason when spoken by one of its citizens. We have in this group a duty beyond the technical needs of policy and of cooperation. It is to defend a principle which is both worthy in its own right and essential to the healthy functioning of our societies.

In our view, the unimpeded flow of information goods and services is inseparable from this principle, as well as being a means of promoting economic welfare and the smooth functioning of the international economy. It would be difficult, and could be illusory, to suppose that one can, at the same time, defend the free flow of information and impose barriers against interchange of the means which are necessary to such free flow. This goes to the heart of our discussion and touches on a basic quality of information, as we use the term.

"Information" is not a simple commodity in trade. It is both a consumer good, a capital good, an intellectual value, and an element in the individual's enjoyment of his fundamental civil and human rights. Efforts to pursue protectionist policies in this vital sector would be both incongruous in terms of our values and costly in terms of our economies and social welfare.

Fortunately, in our judgment, the very nature of the technology of information exchange virtually precludes a "barrier building" approach. The tech-

nology is, in effect, abolishing distance and time. And access to information is increasing along with the growth of sources available as the size and cost of equipment declines and capacity expands.

I realize that American attitudes and approaches in this respect may not be fully shared by the others. Risks perceived by members of this organization have provided the impetus for the OECD's examination of the effects of information and computerization. We believe it will be useful to all of us to air these concerns in the course of this meeting. We recognize for example that governments may legitimately impose limits on free flow where significant countervailing issues are at stake, such as national security, personal privacy, or the administration of criminal laws. But we believe the free flow of information to be so vital that the presumption should be strongly in its favor.

### Privacy

We believe that the protection of personal privacy is another fundamental obligation and prerequisite of free societies. In an increasingly automated world in which large institutions, including government, hold vast amounts of data on individuals, it is important that fair information practices be followed with respect to that data.

Numerous statutes in the United States, at the State and Federal level, attest to our recognition of the principle. This year, the Carter Administration formulated additional legislation to improve the level of protection in certain sectors of the economy. We will continue to press for improved privacy protection through legislative, voluntary, and other means. At the same time, we recognize that privacy cannot be an absolute goal; it must be balanced with the right to enjoy free flow of information; it must reflect the practical, inherent social and economic costs; and it must be considered only an element in the constant battle to protect and advance citizens' rights in free societies.

A remarkable degree of cooperation and mutual respect characterized the negotiation, within OECD, of the guidelines governing the protection of privacy. This, I think, proves that we can work productively on such issues in this forum. The United States strongly supports the privacy guidelines and looks upon them as an important watershed in the movement to insure respect for individual liberties everywhere. My government intends to carry them out through the various means available to it.

### Free Market Forces

We have found, most dramatically in the information industry but also in other areas, that competition and free markets provide incentives for innovation, creativity, capital formation, and risk assumption. These are important underpinnings of economic progress. We are moving as quickly as we can to minimize or eliminate regulation in the domestic telecommunications area, while avoiding the imposition of regulation in the information and computer industries wherever possible.

Specifically, we prefer to look to the marketplace for the introduction of new technologies and services and for decisions regarding production, marketing, and pricing. Such an approach, in our view, will encourage the best response to consumer interests. We believe that prices generally should be based on costs rather than on governmentally imposed standards. Where subsidies are necessary or desirable to achieve specific, noneconomic goals, as occasionally they are in any society, they should be explicit, visible, and subject to public review.

The general approach to information and telecommunications issues in the United States is influenced by a broad recent trend toward less and less governmental regulation of such economic activity. That trend, affecting principally those activities which involve private sector use of limited public resources, such as the electromagnetic spectrum or airspace, comes after about 50 years of general policy orientation in favor of more regulation. We have at length found that, in the United States at least, government regulation is not always the answer. Often, in fact, it has become an impediment to economic progress and to the maximization of social welfare and social benefit.

Too often in the past, government regulation has dealt with problems which were found to be beyond the practical reach of any public policy. And frequently regulation by itself has created or exacerbated problems associated with new forms of economic activity or has caused other unintended consequences at least as negative in their effect as the perceived problem which led to the regulation.

Thus, in the United States, we are more convinced than ever that a dynamic, competitive marketplace with abundant choices and opportunities offers the best foundation for the health of our economy and the welfare of our society. This governmental trend is finding a vigorous and positive response on the part of industry. Many firms are introducing new, sometimes experimental,

services at a rapid pace. We recognize that moving in this direction may entail costs, but we believe these are acceptable and will be offset by the benefits. And we are not insensitive to the possibility that this trend will entail certain adjustments in our international as well as our domestic situation. Nevertheless, be assured there is a strong commitment in the United States to move in the direction of deregulation.

When we counsel against the premature regulation of information flows, as we do, we do not intend to avoid consideration of potential problems which may accompany new ways of conducting public and private business. What we are urging is concerted study and rigorous analysis before actions are taken or recommended. Terms such as "information" and "transborder data flow" have a tendency to beguile us into believing they represent concrete categories of activity, when in fact they actually depict a variety of interrelated issues.

Sorting out these issues for study and arriving at valid concepts and terms with real meanings is an important first step. It is a step for which the OECD is well qualified, and I was pleased to note that these subjects were dealt with in many of the papers prepared for this conference and will be discussed in our sessions. Let us at all costs avoid, in addressing the complex issues raised by these new technologies, the kind of reflex action in favor of regulation which could encumber us for years to come without materially advancing our real purposes. Let us regulate on the basis of need rather than instinct.

### Free Trade

The United States—along with other members of the OECD—endorses the concept of free trade in the international marketplace. We reaffirmed this commitment in the trade declaration that we adopted in the OECD last June when we said that we would continue to promote policies that contribute to an expansion of world trade and to pursue efforts to reduce or abolish obstacles to the exchange of goods and services. These objectives, it seems to us, are not only generally valid but all the more important in the particular case at hand, since telecommunications and information are, or can be, the lifeblood of a national economy. Beyond that, more and more internationally traded goods and services will contain an information component, and artificial restraints on information may have far more widespread effects than are immediately obvious.



## Availability of Telecommunications

In the telecommunications field, we strongly support the availability of facilities and services which are reliable, adequate to meet the diverse needs of the public, priced according to free market principles, and capable of accommodating technical growth without undue disruption. Constructive tariff principles are vital to assure that telecommunications is an aid to information exchange rather than a hindrance to it. Telecommunications and information technologies are merging in such a profound manner that it is difficult or impossible to distinguish between them in many areas of application.

In the United States, it has not been practical to base sound public policy on such distinctions, and we will seek to avoid doing so internationally. We strongly support the introduction of new communications carriers and new services into the marketplace, and the maintenance of customer choice with respect to the kinds of facilities and services received. Given rapid technological developments, we support cautious and flexible approaches to the setting of technical standards so as to avoid inflexible commitments to solutions which may be outmoded by future technical or marketplace developments.

## Spread of Technology

The spread of information technology throughout our societies stems from possibilities created by recent advances and new applications—possibilities which have been seized by the private sector and by governments. In the area of telecommunications, digital transmission techniques are vastly increasing our ability to convey almost any form of information. The development of new methods of information storage has made it economically viable to retain not only a greater volume but also more diverse information. Perhaps the most dramatic change resulting from technological improvement has been the cost reduction of computer operations. In the past 25 years, while price indexes in most industrial countries have more than doubled, the cost of computer operations has fallen by a factor of 100. Combined with design improvements facilitating equipment use, this has tended to "democratize" the computer, rendering its use and benefits accessible to larger segments of society.

The spread of information technology inevitably entails change, and change—particularly in directions we may not be able to predict—tends to make us uneasy. There are always

groups with a vested interest in maintaining the status quo. Similarly, the social goals of individual governments may appear to be at risk when the direction of change is unclear.

In the United States we recognize that some other countries are anxious about the impact of an unrestricted flow of goods and services in the new sectors of the information field. Concern has been expressed, for example, over new work patterns engendered by the application of information technologies and the sense of dependence, even vulnerability, stemming from the storage and processing of data outside a nation's borders. A somewhat different concern has been expressed about the effects of a more interdependent international information system upon the cultures of individual nations or regions.

Historically, of course, each new generation of technology has been accompanied by its quotient of concerns. The short-term impact of some technological changes has indeed been harsh; and too frequently we have failed even to try to assess the longer term impact. But in general we have found ways of dealing with the main adverse effects of technological changes, and there is every reason to expect that we can succeed in the case of information technologies.

My country warmly welcomed the statement of President Giscard d'Estaing at the International Conference on Informatics and Society in Paris last October: "Certainly, it is necessary to discern the real risks," he said, "and not to focus on imaginary weaknesses as supposed difficulties." With regard to the employment effects of informatics, he pointed out, for example, that attention should not be focused only on jobs that might be threatened but on the new opportunities for employment that will inevitably be created.

Our economies all seek new opportunities, new fields for expansion and growth. And the field of informatics is one in which we are convinced that new opportunities abound. To secure these opportunities, we must first refrain from the temptation to react defensively and obstructively.

We believe the OECD should examine data issues primarily in the context of how best to foster flows and avoid disruptions. To the extent that individual concerns are grounded in dependence upon storage or processing abroad, we should explore common measures to relieve any legitimate grounds for such anxiety.

The OECD should also look at the social and economic policies of member countries as they impinge upon the benefits of information technology with

a view toward fostering harmonization, where practical. The legal aspects of this complex area, particularly the conflict of laws and choice of laws issues must be explored. I realize that there are other issues as well, such as the technical aspects of the interconnection of facilities, the evolution of efficient telecommunications protocols, the recommendation of uniform or compatible procedures, and the development of sound tariff principles. These matters, which have an equally important role to play in preventing the disruption of information flows, are quite properly the province of the International Telecommunication Union, and the union's activities should be kept in mind to insure that our respective organizations are not working at cross-purposes.

## Interdependence

The spread of information technology has meant that our economies are more closely interwoven than ever before. Our prosperity is mutually interdependent and, in a broad but fundamental sense, improvements in the quality of life introduced in any one of our countries can be diffused throughout the world. I am not talking only about the developed world. As a basic resource, information must be brought to bear on the development needs of the Third World. Just as the transistor radio gave access to national and international news to the rural peoples of developing countries, the new developments in telecommunications, computers, and information systems are giving those same countries new opportunities, through access to sophisticated information gathering and collating techniques.

While producers of equipment and purveyors of proprietary information can and should look upon the Third World as an important market, the context of North-South cooperation in this vital area will necessarily be deeper than purely economic considerations would imply. To the extent that information helps to solve the pressing economic problems and to expand the horizons of the peoples of the Third World, methods must be found to diffuse it throughout these countries.

Developing countries are also potential exporters of information. The global sharing of experience must be a two-way system, as has been stressed repeatedly in UNESCO. We should look for imaginative ways to expand the information dialogue, ways which profit from the enormous potential of information technology to reduce production costs through the optimal configuration of the

factors of production. The unique qualities of information—its rapid and infinite reproducibility, its low consumption of resources, its enhancement of the power of the human brain—make it equally suited to the needs of both developed and developing countries.

In fostering this dialogue, we should bear in mind that any restrictive actions that may be imposed between developed countries will establish a pattern likely to be adopted when Third World facilities become more widespread.

### Summary

I may then sum up the attitude of the United States, as we embark on this complex task, as follows:

**First**, the free flow of information is essential to the political, economic, and social health of all countries. This is a positive good. In any event, let us remember that isolation is not a technologically feasible alternative. Although we fantasize in our literature about lost islands, or hidden mountain valleys, we know they cannot exist. The “withdrawn” society, so to speak, would represent an impractical goal. We in the OECD find no terror in our openness to the world; yet for some other nations a form of withdrawal is frequently thought of as politically desirable. We have the extraordinarily sensitive task of judging, in these matters, where

proper national concerns end, and politically motivated impediments and restrictions begin.

**Second**, so indispensable is the principle of free flow that it should enjoy a strong, positive bias in the international discussions. That general attitude should be overcome only in specific, isolated instances where, after exhaustive analysis, there is a consensus that overriding considerations are imperative. These, we firmly believe, will be few indeed.

**Third**, some measure of harmonization of national policies is both feasible and needed, at least within the OECD. Ground rules may also be needed to prevent disruption of information flows. We may, in effect, need barriers against barriers.

**Fourth**, while we are beginning this task in the OECD, we should recognize that the information needs and desires of developing countries are tremendous. We should seek ways of compressing the time required for the developing countries to become full participants in this “information age” as contributors, as well as recipients, of information.

**Fifth**, and finally, I believe that we in the industrialized democracies have a special responsibility to our traditions, to our citizens, and to the future in all aspects of communications and information. Our societies have contributed much to the advancement of civilization, to the betterment of mankind, to scientific progress, and to the life of the mind. Today we contribute much to the

maintenance of peace. Communications and information, more than almost any other technology-based advance of recent years, can have tremendous impact on values, attitudes, hostilities, and emotions—for good or ill. In this age of deterrence, and of tension and change, let us never forget that it will take a positive act of will and determination to see that they are used consciously for our betterment.

Similarly, let us not be entirely pragmatic when we consider the potential of information and communications for expanding the reach of the intellect and the spirit. If these technologies enable us better to reach out to individual human beings, especially in their formative years; if they awaken the genius of a Schubert, a Rousseau, a Newton, or a Goya; or if they give hope and sustenance to a people oppressed by injustice or deprivation, they will have fulfilled our finest objectives. ■

---

Published by the United States Department of State • Bureau of Public Affairs • Office of Public Communication • Editorial Division • Washington, D.C. • December 1980  
Editor: Colleen Sussman • This material is in the public domain and may be reproduced without permission; citation of this source would be appreciated.

Bureau of Public Affairs  
United States Department of State  
Washington, D.C. 20520

Postage and Fees Paid  
Department of State  
STA-501



Official Business

If address is incorrect  
please indicate change. ➤  
Do not cover or destroy  
this address label.

CONNECTICUT COLLEGE  
LIBRARY, GOVT DOCUMENTS  
NEW LONDON

CT 06320